

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

MINGLEMENT, INC., a Washington  
corporation,

Plaintiff,

v.

HEIRLOOM COFFEE, LLC, a Massachusetts  
domestic limited liability company,

Defendant.

NO.

COMPLAINT FOR TRADEMARK  
INFRINGEMENT, TRADEMARK  
COUNTERFEITING, FALSE  
DESIGNATION OF ORIGIN, UNFAIR  
COMPETITION, BREACH OF  
CONTRACT AND EQUITABLE RELIEF

**I. PARTIES**

1.1. Plaintiff Minglement, Inc. Plaintiff, Minglement, Inc., is a corporation organized under the laws of the state of Washington, with a principal place of business at 19529 Vashon Highway, Vashon, Washington 98070.

1.2. Defendant Heirloom Coffee, LLC. Defendant, Heirloom Coffee, LLC, is a Massachusetts domestic limited liability company, with a principal place of business at 9 Jerome Street, Medford, Massachusetts 02155.

## II. JURISDICTION AND VENUE

2.1. Subject Matter Jurisdiction. This Court's jurisdiction arises from the fact that this is an action brought under the Trademark Laws of the United States, 15 U.S.C. §§ 1051 *et seq.*, jurisdiction being conferred by 15 U.S.C. § 1121 and 28 U.S.C. § 1331, 1338, and 1400(b). The Court also has jurisdiction under 28 U.S.C. § 1332 as the parties are citizens of different states and the amount in controversy exceeds \$75,000.

2.2. Personal Jurisdiction. The Court has personal jurisdiction over all parties.

2.3. Venue. Venue is proper in this Court under 28 U.S.C. § 1391(b) and (c) in that a substantial part of the events or omissions giving rise to the claims occurred in this District, the defendant is promoting, distributing and selling branded goods in this District and by agreement of the Parties (Settlement Agreement, para. 10, (Exhibit A hereto)).

## III. FACTS

3.1. Minglement Owns Heirloom. Plaintiff is the registrant and owner of record for U.S. Trademark Registration No. 3,209,774 for the trademark HEIRLOOM® in International Class 30 for coffee (*See* Exhibit A attached hereto). U.S. Trademark Registration No. 3,209,774 was registered on February 13, 2007, with a first use in commerce on December 1, 2005 and with declarations under Sections 8 and 15 of the Trademark Act being filed October 29, 2012. U.S. Trademark Registration No. 3,209,774 is valid and incontestable. Trademark Registration No. 3,209,774 was renewed June 8, 2016.

3.2. Continuous Use. Plaintiff has continually used the mark HEIRLOOM® in commerce and in commerce governed by the Congress since as early as 2005 and the mark is presently being used on and in connection with the sale of coffee.

1           3.3.   Trademark Not Abandoned. U.S. Trademark Registration No. 3,209,774 is valid  
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3 and enforceable and has not been abandoned.

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5           3.4.   Defendant Sells “Heirloom” Coffee. Defendant is doing business throughout the  
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7 United States and in the state of Washington and this District selling “HEIRLOOM” branded  
8  
9 coffee.

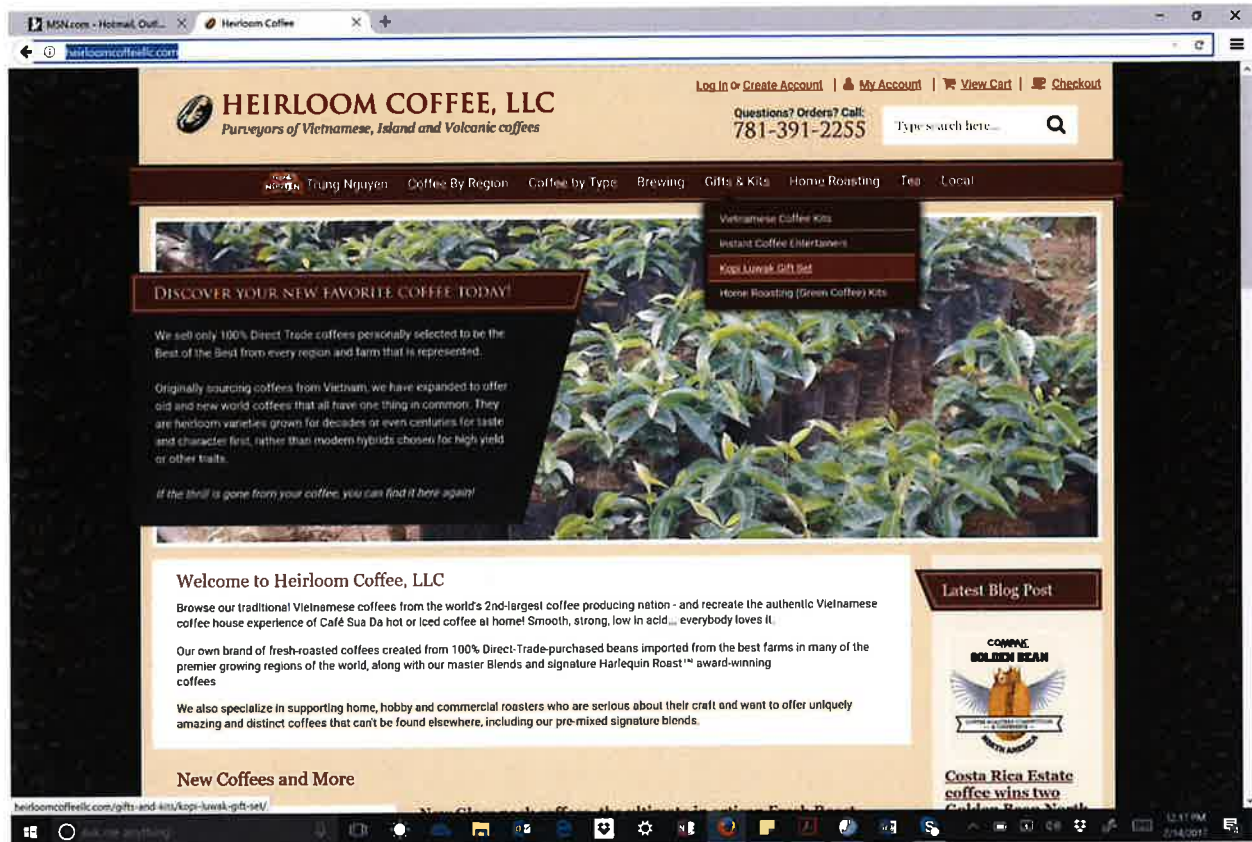
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11           3.5.   Prior Action on Trademark. On July 18, 2014, Plaintiff filed suit against  
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13 Defendant in the Western District of Washington at Seattle, Civil Cause No. 2:14-cv-01091 [Dkt.  
14  
15 No. 1]. The case was assigned to the Honorable Thomas S. Zilly. The parties mutually entered  
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17 into a Settlement Agreement dated and effective August 30, 2014 (Settlement Agreement), see  
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19 Exhibit A. No responsive pleading was filed before the matter was resolved by agreement.  
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21                           **IV. FIRST CLAIM FOR RELIEF**  
22                           **(Infringement of Registered Trademark)**

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24           4.1.   Incorporation by Reference. Plaintiff realleges and incorporates the allegations  
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26 set forth in paragraphs 1.1 through 3.5 above.

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28           4.2.   Trademark Presumed Valid. The registration for plaintiff’s trademark for  
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30 HEIRLOOM® is presumed valid because of its registration on the Principal Register of the  
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32 USPTO under Section 2 of the Trademark Act, 15 U.S.C. § 1052.

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34           4.3.   Illegal Use of Trademark. Defendant has continued to use without license or  
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36 permission “Heirloom Coffee” on or in connection with coffee. Please see  
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38 <http://heirloomcoffeellc.com/>:  
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which is a screen-shot of defendant's website created February 14, 2017. The continued use of Heirloom Coffee as a trademark is a direct violation and breach of the terms and conditions of the Settlement Agreement.

4.4. Likelihood of Confusion. Defendant's unauthorized continued use of "Heirloom" on or in connection with coffee is likely to cause confusion because the relevant consuming public is likely to believe that defendant's goods emanate from, are sponsored by, or are authorized by plaintiff.

4.5. Intentional Violation. Defendant has had knowledge of plaintiff's prior use and registration of plaintiff's HEIRLOOM® trademark for coffee but, nevertheless, has used and continues to use plaintiff's trademark without authorization and in disregard of plaintiff's rights and the Settlement Agreement.

1           4.6. Willfulness. Defendant's infringement of plaintiff's trademark was and is willful  
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3 with the intent of trading on plaintiff's goodwill and reputation.

4           4.7. Counterfeit. Defendant's use of "Heirloom" for coffee is counterfeit.

5           4.8. Profit. Defendant has profited from the unauthorized use of plaintiff's trademark.

6           4.9. Damage. Plaintiff has suffered the loss of sales and profits that plaintiff would  
7  
8 have made but for defendant's acts.

9           4.10. Exceptional Case. Defendant's acts of infringement are willful and counterfeit,  
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11 and make this case exceptional.

12           4.11. Infringement. The above-described acts of defendant constitute trademark  
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14 infringement in violation of 15 U.S.C. § 1114(1)(a).

15  
16  
17                                   **V. SECOND CLAIM FOR RELIEF**  
18                                   **(False Designation of Origin)**

19           5.1. Incorporation by Reference. Plaintiff realleges and incorporates the allegations  
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21 set forth in paragraphs 1.1 through 4.11 above.

22           5.2. False Description of Origin. Defendant's use of plaintiff's trademark constitutes  
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24 false designation of origin in violation of 15 U.S.C. § 1125(a). Defendant has used plaintiff's  
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26 trademark in a way that is likely to cause confusion, mistake and deception among the public and  
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28 trade, all of whom will be led to erroneously believe that defendant's goods are produced,  
29  
30 provided by, approved of, or otherwise affiliated or associated with plaintiff.

31           5.3. Intent to Misrepresent. In selecting and continuing to use plaintiff's trademark in  
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33 connection with its goods, defendant intends to misrepresent the origin of the goods and to trade  
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35 on plaintiff's goodwill and reputation.



5.4. Adequate Remedy at Law. Plaintiff has no adequate remedy of law. By misappropriating plaintiff's trademark, defendant has irreparably injured and is likely to continue to irreparably injure plaintiff's business reputation.

**VI. THIRD CLAIM FOR RELIEF**  
**(Unfair Competition RCW 19.86.010 *et seq.*)**

6.1. Incorporation by Reference. Plaintiff realleges and incorporates the allegations set forth in paragraphs 1.1 through 5.4 above.

6.2. Consumer Protection Act Violation. The acts of defendant as alleged herein constitute unfair methods of competition and unfair or deceptive acts or practices in the conduct of trade or commerce under RCW 19.86.020 in respect to selling, offering to sell, and marketing goods under the HEIRLOOM® mark in the state of Washington. Defendant's violations of the Consumer Protection Act are harmful to the public interest. Defendant's misuse of the HEIRLOOM® trademark has and has had the capacity to harm other persons.

6.3. Irreparable Harm and Damages. As a result of the foregoing violations of the Consumer Protection Act, plaintiff has suffered severe and irreparable injury and damages, as well as costs and attorney's fees.

**VII. FOURTH CLAIM FOR RELIEF**  
**(Breach of Settlement Agreement)**

7.1. Incorporation by Reference. Plaintiff realleges and incorporates the allegations set forth in paragraphs 1.1 through 6.3 above.

7.2. Settlement Agreement. The Settlement Agreement between the Parties in paragraph 2 provides in pertinent part:

2. Effective six months from the Effective Date of this Agreement, Heirloom Coffee shall complete the adoption of a new trademark for its coffee and coffee related products and shall thereafter refrain from offering or selling

coffee or coffee related products, either directly or indirectly or in any manner whatsoever under or in connection with any designation, trademark or service mark which incorporates the word "heirloom" or any variations thereof that are likely to cause confusion with Minglement's HEIRLOOM® trademark for coffee.

7.3. Breach. Defendant has failed and willfully refused to comply with the Settlement Agreement by changing its use of Heirloom Coffee as is evident from its website: <http://heirloomcoffeellc.com/> and as depicted in ¶ 4.3, above.

7.4. Inadequate Remedy at Law. Paragraph 12 of the Settlement Agreement provides:

12. The Parties have discussed the fact that Minglement will suffer substantial damages if Heirloom Coffee fails to perform his obligations under this Agreement and Heirloom Coffee acknowledges that strict performance of its obligations under this Agreement is essential to Minglement's decision to enter into this Agreement. The Parties acknowledge that if Heirloom Coffee fails to fulfill its obligations in accordance with this Agreement, it would be extremely difficult and impracticable, if not impossible, to ascertain with any degree of certainty the amount of damages which would be suffered by Minglement. Accordingly, the Parties agree Heirloom Coffee agrees that if it fails to fully comply with the obligations imposed on it under Paragraph 2, above, Minglement may, without further notice seek specific performance of this Agreement in any court having jurisdiction, including any available equitable remedies, together with reasonable attorney's fees and costs of suit, including fees and costs on appeal.

7.5. Irreparable Harm and Damages. Defendant's infringement of plaintiff's trademark has irreparably damaged plaintiff's valuable goodwill and has adversely affected plaintiff's ability to engage in business in commerce selling coffee bearing the HEIRLOOM® trademark and, unless enjoined, will continue to adversely affect plaintiff's business conducted in connection with this trademark.

## VIII. PRAYER FOR RELIEF

WHEREFORE, plaintiff prays for the following relief:

A. Injunctive Relief. For permanent injunctive relief pursuant to 15 U.S.C. § 1116 and as agreed in the Settlement Agreement.

1 B. Money Damages. For an award of damages pursuant to 15 U.S.C. § 1117,  
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3 including defendant's profits and plaintiff's lost profits and including enhanced damages for  
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5 counterfeit use of the HEIRLOOM® mark.  
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7 C. Destruction of Infringing Property. For an Order directing destruction of all  
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9 infringing goods pursuant to 15 U.S.C. § 1118.  
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11 D. CPA Treble Damages. For damages pursuant to RCW 19.86.020, including  
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13 enhanced damages as provided therein.  
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15 E. Attorneys' Fees and Costs. For an award of attorney's fees and costs of suit  
16  
17 pursuant to 15 U.S.C. § 1117 and RCW 19.86.090 and by agreement set forth in the Settlement  
18  
19 Agreement.  
20

21 F. Other Relief. For such other relief as the Court deems just and equitable.  
22

23 DATED this 9<sup>th</sup> day of March, 2017.  
24

25 **DEPPMAN & FOLEY, P.C.**  
26 Attorneys for Plaintiff  
27

28 By s/Rex B. Stratton  
29

30 Rex B. Stratton, WSBA #1913  
31 Drawer 569  
32 Middlebury, VT 05753  
33 Telephone: (802) 388-7933  
34 Facsimile: (802) 388-9200  
35 Email: rstratton@middlaw.com  
36  
37  
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42  
43  
44  
45



**GORDON TILDEN THOMAS & CORDELL LLP**  
Attorneys for Plaintiff

By s/Jeffrey I. Tilden

Jeffrey I. Tilden, WSBA #12219  
1001 Fourth Avenue, Suite 4000  
Seattle, Washington 98154  
Telephone: (206) 467-6477  
Facsimile: (206) 467-6292  
Email: [jtilden@gordontilden.com](mailto:jtilden@gordontilden.com)

**GORDON TILDEN THOMAS & CORDELL LLP**  
Attorneys for Plaintiff

By s/Michael Rosenberger

Michael Rosenberger, WSBA #17730  
1001 Fourth Avenue, Suite 4000  
Seattle, Washington 98154  
Telephone: (206) 467-6477  
Facsimile: (206) 467-6292  
Email: [mrosenberger@gordontilden.com](mailto:mrosenberger@gordontilden.com)

# EXHIBIT A

## **SETTLEMENT AGREEMENT AND RELEASE**

### **Parties**

THIS SETTLEMENT AGREEMENT AND RELEASE ("Agreement"), dated and effective August 30, 2014, is by and between Minglement, Inc. ("Minglement"), a Washington corporation the principal place of business of which is 195529 Vashon Highway, Vashon Island, Washington 98070, and Heirloom Coffee, LLC, ("Heirloom Coffee"), a Massachusetts domestic liability company, with a principal place of business at 9 Jerome Street, Medford, Massachusetts 02155. This Agreement is effective as of the date signed by all Parties ("Effective Date").

### **Recitals**

- a. Minglement is the registrant and owner of record for U.S. Trademark Registration No. 3,209,774 ( '774 Registration) for the trademark HEIRLOOM® in International Class 30 for coffee which was registered on February 13, 2007, with a first use in commerce on December 1, 2005 and with declarations under Sections 8 and 15 of the Trademark Act being filed October 29, 2012. U.S. Trademark Registration No. 3,209,774 is valid and incontestable;
- b. Heirloom Coffee is actively engaged in business throughout the United States and the world dealing in the purchase and sale of coffee;
- c. On July 21, 2014, Minglement initiated a civil action against Heirloom Coffee in the United States District Court for the Western District of Washington in Seattle, Washington (the "Court") styled *Minglement Inc. v. Heirloom Coffee LLC*, Western District of Washington Civil Case No. 2:14-cv-01091 (the "Action") contending that Heirloom Coffee's offering and selling products under the HEIRLOOM COFFEE trademark constitutes trademark infringement, false designation of origin, and unfair competition, (hereinafter the "Claims");

d. Heirloom Coffee has been served but has not answered the complaint and has declared its intention to change its trademark HEIRLOOM COFFEE to another mark that is not likely to cause confusion with HEIRLOOM® for coffee; and

e. The Parties, to avoid the time and expense of litigation, desire to settle all disputes, claims and defenses between or among them in accordance with the terms of this Agreement.

### **UNDERTAKINGS**

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual covenants and obligations set forth herein, and other good and valuable consideration, the Parties agree:

1. Upon execution of this Agreement, the Parties shall notify the Court of the settlement of the case and forthwith file a joint stipulation of dismissal of the pending Action in the form attached hereto as Exhibit A.

2. Effective six months from the Effective Date of this Agreement, Heirloom Coffee shall complete the adoption of a new trademark for its coffee and coffee related products and shall thereafter refrain from offering or selling coffee or coffee related products, either directly or indirectly or in any manner whatsoever under or in connection with any designation, trademark or service mark which incorporates the word "heirloom" or any variations thereof that are likely to cause confusion with Minglement's HEIRLOOM® trademark for coffee.

3. Minglement agrees that Heirloom Coffee will continue to operate under the company name Heirloom Coffee, LLC. Heirloom Coffee shall not use the company name in a manner that might reasonably be deemed to constitute use as a trademark, and shall only display the company name on product packaging and promotional materials in a manner, including size and location, which constitutes use as a company name.

4. As of the Effective Date of this Agreement, Heirloom Coffee represents and warrants: (i) that it has not granted any licenses or other rights of any kind in the use of HEIRLOOM in the United States to any third party and (ii) that no other individuals or corporate entities have an interest in the HEIRLOOM COFFEE trademark who are not bound by this Agreement.

5. Minglement, its successors and assigns, hereby irrevocably and unconditionally release and forever discharge Heirloom Coffee of and from any charges, claims, complaints, demands, liabilities, causes of action, losses, costs or expenses (including attorneys' fees and costs), that Minglement may have, now has, or might have had against Heirloom Coffee relating to any and all matters, facts, or circumstances arising prior to and including the Effective Date of this Agreement, including and without limitation, the Claims, whether the matters, facts, and circumstances are known or unknown, by reason of any act, omission, transaction or event arising out of the facts and occurrences that are the subject of this Agreement. Nothing contained in this paragraph is intended or shall be construed as a release of the obligations in this Agreement.

6. Heirloom Coffee, its managers and members hereby irrevocably and unconditionally release and forever discharge Minglement of and from any charges, claims, complaints, demands, liabilities, causes of action, losses, costs or expenses (including related attorneys' fees and costs), that Heirloom Coffee may have, now has, or might have had against Minglement relating to any and all matters, facts, or circumstances arising prior to and including the Effective Date of this Agreement, including and without limitation, the matters, facts, and circumstances are known or unknown, by reason of any act, omission, transaction or event arising out of the facts and occurrences that are the subject of this Agreement. Nothing contained



in this paragraph is intended or shall be construed as a release of the obligations in this Agreement.

7. Neither Party admits any wrongdoing or liability by virtue of entering into this Agreement nor shall this Agreement shall not be construed as an admission of liability against any of the Parties.

8. The Parties shall execute and deliver all such additional documents, consents, motions, instruments, assignments, and certificates and shall take all such other actions as a Party may reasonably request in connection with the consummation of this Agreement and effecting the intent and purpose hereof.

9. Each Party shall bear its own attorney's fees and costs incurred in connection with this matter.

10. This Agreement shall be governed by and shall be construed and enforced in accordance with the laws of the United States of America and the State of Washington applicable to agreements entered into and performed within such state, without reference to the conflicts of law rules of such state. Any disputes regarding this Agreement shall be brought exclusively in federal court in the State of Washington and the Parties submit to the jurisdiction of said court.

11. The Parties shall keep the terms and conditions of this Agreement and any negotiations leading hereto strictly confidential at all times and not disclose them to anyone. Notwithstanding the foregoing, the Parties may disclose this Agreement as required by applicable law, in confidence to a court in response to a valid subpoena or document request (or otherwise as directed by law), and to the Parties' respective attorneys, accountants, auditors, tax preparers, financial advisors, and other agents and potential investors and acquirers who have a need to know the content of this Agreement.

12. The Parties have discussed the fact that Minglement will suffer substantial damages if Heirloom Coffee fails to perform its obligations under this Agreement and Heirloom Coffee acknowledges that strict performance of its obligations under this Agreement is essential to Minglement's decision to enter into this Agreement. The Parties acknowledge that if Heirloom Coffee fails to fulfill its obligations in accordance with this Agreement, it would be extremely difficult and impracticable, if not impossible, to ascertain with any degree of certainty the amount of damages which would be suffered by Minglement. Accordingly, the Parties agree Heirloom Coffee agrees that if it fails to fully comply with the obligations imposed on it under Paragraph 2, above, Minglement may, without further notice seek specific performance of this Agreement in any court having jurisdiction, including any available equitable remedies, together with reasonable attorney's fees and costs of suit, including fees and costs on appeal.

13. Each Party stipulates and agrees that it has consulted with independent legal counsel of its choice in entering into this Agreement, or has had the opportunity to do so, and that there are no representations, agreements or understandings on which it relies in entering into this Agreement except those expressly stated herein.

14. The persons signing this Agreement represent that they have full authority and representative capacity to execute this Agreement in the capacities indicated below, and that this Agreement constitutes a valid and binding obligation of the Party on whose behalf such signatory is purporting to sign. Each of the Parties represents to the other Parties that it has full power and all requisite authority to execute and perform this Agreement.

15. This Agreement expresses the entire Agreement and understanding among the Parties regarding its subject matter, and supersedes all previous negotiations, discussions and understandings, oral or written, regarding such matters. The terms of this Agreement are

contractual and not a mere recital, and may be modified only in a writing executed by both Parties.

16. If any portion of this Agreement is construed by a court of law to be invalid or unenforceable, such portion shall be severable from the remainder of the Agreement, and the remainder of the Agreement will remain in full force and effect.

17. The captions of sections of this Agreement, if any, are for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

18. This Agreement may be signed separately by the Parties in counterparts, including by facsimile, PDF, or other electronic means, each of which shall be construed as an original, and all with the same effect as if each Party had signed the same document.

19. The failure at any time of any Party to demand strict performance by the other Parties of any terms, covenants, or conditions set forth in this Agreement shall not be construed as a continuing waiver or relinquishment thereof, and any Party may, at any time, demand strict and complete performance by the other Parties of such terms, covenants, and conditions.

Minglement, Inc.

By: \_\_\_\_\_

Its: \_\_\_\_\_

Heirloom Coffee, LLC

By: \_\_\_\_\_

Its: \_\_\_\_\_

## EXHIBIT A

THE HONORABLE THOMAS S. ZILLY

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

MINGLEMENT, INC., a Washington  
corporation,

Plaintiff,

v.

HEIRLOOM COFFEE, LLC, a Massachusetts  
domestic limited liability company,

Defendant.

CAUSE NO. 2:14-cv-01091 TSZ

1. Pursuant to Rule 41(a)(2) and W.D. WA Local Civil Rule 10(g), plaintiff Minglement, Inc. and defendant Heirloom Coffee, LLC (collectively "Parties"), through their respective counsel of record, stipulate and agree to the entry of an order dismissing this matter with prejudice.

2. The parties shall bear their own costs and attorneys' fees.

STIPULATION AND ORDER OF DISMISSAL  
Cause No.: 2:14-cv-01091  
Page 1 of 2

STRATTON LAW & MEDIATION P.S.  
18826 ROBINWOOD ROAD SW, SUITE 201  
VASHON ISLAND, WA 98070  
TEL: (206) 408-7368 • FAX: (206) 260-3816



1 Dated: August 28, 2014

2  
3 By: /s/ Rex B. Stratton

4 Rex B. Stratton, WSBA No. 1913  
5 STRATTON LAW & MEDIATION P.S.  
6 18826 Robinwood Road SW, Suite 201  
7 Vashon, WA 98070  
8 Tel: 206-408-7368  
9 Fax: 206-260-3816  
10 Email: stratton@rbs-law.com

11 Attorneys for Minglement, Inc.

By: /s/ Michael G. Atkins

Michael G. Atkins, WSBA No. 26206  
Atkins Intellectual Property, PLLC  
93 South Jackson Street #18483  
Seattle, WA 98104-2818  
Telephone: 206-628-0983  
Facsimile 206-299-3701  
Email: mike@stkinsip.com

Attorneys for Heirloom Coffee, LLC

ORDER

Based on the foregoing stipulation of counsel, and the Court being informed in the premises, it is:

ORDERED that this matter is dismissed with prejudice and without costs.

DATED: \_\_\_\_\_, 2014

HONORABLE THOMAS S. ZILLY  
UNITED STATE DISTRICT JUDGE

STIPULATION AND ORDER OF DISMISSAL

Cause No.: 2:14-cv-01091  
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STRATTON LAW & MEDIATION P.S.  
18826 ROBINWOOD ROAD SW, SUITE 201  
VASHON ISLAND, WA 98070  
TEL: (206) 408-7368 • FAX: (206) 260-3816